

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
EMDR Humanitarian Assistance Programs, Inc.

Opinion

We have audited the accompanying financial statements of EMDR Humanitarian Assistance Programs, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of EMDR Humanitarian Assistance Programs, Inc. as of June 30, 2022 and 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of EMDR Humanitarian Assistance Programs, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about EMDR Humanitarian Assistance Programs, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of EMDR Humanitarian Assistance Programs, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about EMDR Humanitarian Assistance Programs, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Budwitz & Meyerjack, P.C.

Cheshire, Connecticut
September 26, 2023

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

STATEMENT OF FINANCIAL POSITION

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022.</u>	<u>2021</u>
ASSETS:		
Cash	\$ 133,865	\$ 459,273
Investments	103,199	113,647
Accounts receivable	-	2,725
Net property and equipment	17,823	25,326
Restricted cash	929,328	458,954
Security deposits	1,426	1,426
Beneficial interest in assets held at Community Foundation of GNH, Inc.	507,443	593,074
Total Assets	<u>\$ 1,693,084</u>	<u>\$ 1,654,425</u>
 LIABILITIES:		
Accounts payable and accrued expenses	\$ 50,216	\$ 45,535
Credit card payable	11,732	6,784
Deferred training revenue	183,150	213,405
Total Liabilities	<u>245,098</u>	<u>265,724</u>
 NET ASSETS:		
Without donor restrictions	586,340	497,492
With donor restrictions	<u>861,646</u>	<u>891,209</u>
Total Net Assets	<u>1,447,986</u>	<u>1,388,701</u>
 Total Liabilities and Net Assets	 <u>\$ 1,693,084</u>	 <u>\$ 1,654,425</u>

The accompanying notes are an integral part
of these financial statements.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022		2021	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
				Totals
Public Support, Revenue and Reclassifications				
Product sales	\$ 27,085	\$ -	\$ 29,865	\$ -
Program services	904,580	-	919,219	-
Program services-donated	2,675,340	-	2,229,450	-
Contribution income	160,205	246,725	78,414	7,740
Investment income	2,479	1,505	8,964	69
Realized gain on investments	-	-	77,215	-
Unrealized gain on investments	-	-	-	5,251
Other income	5,808	-	-	-
Payroll Protection Program	-	-	102,000	-
Net assets released from restrictions:				
Restrictions satisfied by purpose	194,225	(194,225)	69,353	(69,353)
Total Support, Revenue and Reclassifications	3,969,722	54,005	3,514,480	(56,293)
Expenses and Losses				
Program costs	1,170,562	-	1,009,855	-
Program costs-donated	2,675,340	-	2,229,450	-
Management and general expenses	22,461	-	18,394	-
Total Expenses	3,868,363	-	3,257,699	-
Unrealized loss on investments	12,511	-	7,908	-
Loss on beneficial interest in assets held at Community Foundation of GNH, Inc.	-	83,568	-	-
Total Expenses and Losses	3,880,874	83,568	3,265,607	-
INCREASE (DECREASE) IN NET ASSETS	88,848	(29,563)	248,873	(56,293)
NET ASSETS, beginning of year	497,492	891,209	248,619	947,502
NET ASSETS, end of year	\$ 586,340	\$ 861,646	\$ 497,492	\$ 891,209
				Totals
				\$ 29,865
				\$ -
				\$ 29,865
				\$ 919,219
				\$ 2,229,450
				\$ 78,414
				\$ 86,154
				\$ 9,033
				\$ 77,215
				\$ 5,251
				\$ -
				\$ 102,000
				\$ -
				\$ -
				\$ 69,353
				\$ 3,514,480
				\$ -
				\$ 1,009,855
				\$ 2,229,450
				\$ 18,394
				\$ 3,257,699
				\$ 7,908
				\$ -
				\$ 3,265,607
				\$ 192,580
				\$ 1,196,121
				\$ 1,388,701
				\$ 497,492
				\$ 891,209
				\$ 1,388,701
				\$ 1,447,986
				\$ 29,865
				\$ 919,219
				\$ 2,229,450
				\$ 78,414
				\$ 86,154
				\$ 9,033
				\$ 77,215
				\$ 5,251
				\$ -
				\$ 102,000
				\$ -
				\$ -
				\$ 69,353
				\$ 3,514,480
				\$ -
				\$ 1,009,855
				\$ 2,229,450
				\$ 18,394
				\$ 3,257,699
				\$ 7,908
				\$ -
				\$ 3,265,607
				\$ 192,580
				\$ 1,196,121
				\$ 1,388,701
				\$ 497,492
				\$ 891,209
				\$ 1,388,701
				\$ 1,447,986

The accompanying notes are an integral part of these financial statements.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2022

	PROGRAMS						2022 Total
	Store	TRN/Special	Training	Client Programs	Total	Management & General	
Program and Supporting Services Expenses:							
Salaries	\$ -	\$ -	\$ 466,359	\$ -	\$ 466,359	\$ 17,995	\$ 484,354
Payroll taxes and employee benefits	-	-	36,399	-	36,399	1,369	37,768
Travel and conference expense	-	-	33,076	-	33,076	18	33,094
Donation and grant expenses	434	-	-	7,262	7,696	-	7,696
Training expenses - domestic and international	1,456	-	153,361	-	154,817	-	154,817
Training expenses - donated	-	-	2,675,340	-	2,675,340	-	2,675,340
Outreach/Volunteer Expenses	-	-	9,483	173	9,656	-	9,656
Insurance	-	-	11,161	-	11,161	-	11,161
Postage and delivery	154	-	3,026	1,378	4,558	3	4,561
Professional fees	-	-	30,855	-	30,855	-	30,855
Marketing and development	-	-	6,167	-	6,167	-	6,167
Business Consulting	-	-	101,106	-	101,106	-	101,106
Rent	-	-	18,960	-	18,960	-	18,960
Store and product cost	6,965	-	2,288	-	9,253	-	9,253
Utilities and telecommunications	421	-	15,594	-	16,015	-	16,015
Office expenses	-	-	38,749	104	38,853	49	38,902
Bank, merchant, and investment fees	1,525	-	18,397	6,869	26,791	139	26,930
Client needs and program expenses	-	8,172	179,165	4,000	191,337	2,888	194,225
Depreciation	-	-	7,503	-	7,503	-	7,503
Total Program and Supporting Services Expenses June 30, 2022	\$ 10,955	\$ 8,172	\$ 3,806,989	\$ 19,786	\$ 3,845,902	\$ 22,461	\$ 3,868,363

The accompanying notes are an integral part of these financial statements.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2021

	PROGRAMS						2021 Total
	Store	TRN/Special	Training	Client Programs	Management & General	Total	
Program and Supporting Services Expenses:							
Salaries	\$ -	\$ -	\$ 441,585	\$ 634	\$ 17,656	\$ 442,219	\$ 459,875
Payroll taxes and employee benefits	-	-	37,807	-	-	37,807	37,807
Travel and conference expense	-	-	814	-	-	814	814
Donation and grant expenses	-	-	3,000	6,042	-	9,042	9,042
Faculty training	-	-	15,875	-	-	15,875	15,875
Training expenses - domestic and international	-	8,100	134,817	-	375	142,917	143,292
Training expenses - donated	-	-	2,229,450	-	-	2,229,450	2,229,450
Outreach/Volunteer Expenses	-	-	1,876	-	-	1,876	1,876
Insurance	-	-	8,613	-	-	8,613	8,613
Postage and delivery	-	-	3,148	-	-	3,148	3,148
Professional fees	267	-	52,302	-	-	52,569	52,569
Marketing and development	-	-	39,762	-	-	39,762	39,762
Business Consulting	-	-	83,900	-	-	83,900	83,900
Rent	-	-	18,930	-	-	18,930	18,930
Store and product cost	6,272	-	1,170	-	-	7,442	7,442
Utilities and telecommunications	35	-	12,401	-	-	12,436	12,436
Office expenses	-	-	29,822	335	210	30,157	30,367
Bank, merchant, and investment fees	1,290	-	20,399	3,046	153	24,735	24,888
Client needs and program expenses	-	-	69,353	-	-	69,353	69,353
Depreciation	-	-	8,260	-	-	8,260	8,260
Total Program and Supporting Services Expenses June 30, 2021	\$ 7,864	\$ 8,100	\$ 3,213,284	\$ 10,057	\$ 18,394	\$ 3,239,305	\$ 3,257,699

The accompanying notes are an integral part of these financial statements.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 59,285	\$ 192,580
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,503	8,260
Realized (gain) loss on investments	-	(77,215)
Unrealized (gain) loss on investments	12,511	2,657
Loss on beneficial interest in assets held at Community Foundation of GNH, Inc.	83,568	-
Changes in Operating Assets and Liabilities		
(Increase) decrease in accounts receivable	2,725	19,260
(Increase) decrease in prepaid expenses	-	4,808
(Increase) decrease in cash restricted for grant purposes	(470,374)	207,161
Increase (decrease) in accounts payable and accrued expenses	4,681	10,305
Increase (decrease) in credit card payable	4,948	5,941
Increase (decrease) in deferred training revenue	(30,255)	86,395
Net Cash Used in Operating Activities	<u>(325,408)</u>	<u>460,152</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	-	(587,753)
Proceeds from sale of investment	-	580,027
Purchase of property, plant and equipment	-	(1,684)
Net Cash Used by Investing Activities	<u>-</u>	<u>(9,410)</u>
NET INCREASE (DECREASE) IN CASH	(325,408)	450,742
CASH, beginning of year	459,273	8,531
CASH, end of year	<u>\$ 133,865</u>	<u>\$ 459,273</u>

The accompanying notes are an integral part
of these financial statements.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization:

EMDR Humanitarian Assistance Programs, Inc. (the Organization) is a non-profit Organization, incorporated within the State of California. The Organization's tax-exempt status has been certified by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code. The primary objectives and purposes of the Organization shall be to extend access to mental health services for underserved populations anywhere in the world through public and professional education, humanitarian services, and supportive research, with emphasis on building the capacity of local care givers to provide effective care for psychological trauma. The Organization's fiscal year begins on July 1 and ends on June 30. A summary of the Organization's accounting policies that affect the significant elements of the financial statements are stated below.

Basis of Presentation and Accounting Method:

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, the accounts of the Organization are reported in the following categories:

Net Assets Without Donor Restrictions - Net assets without donor restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the Board of Directors.

Net Assets With Donor Restrictions - Net assets with donor restrictions represent contributions that are restricted by the donor as to purpose or time of expenditure. Net assets with donor restrictions also represent resources that have donor-imposed restrictions to be maintained in perpetuity.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Further, the use of estimates also affects the levels of revenues and expenses recorded throughout the reporting period. Actual results could differ from those estimates.

Revenue Recognition:

Contributions and Support Revenue

Contributions that are subject to donor-imposed conditions (i.e., a donor stipulation that includes a barrier that must be overcome and a right of return or release from obligation) are recognized when the conditions on which they depend are substantially met, that is, when the

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

conditional promise becomes unconditional. Unconditional contributions are recognized when pledged or received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions receivable expected to be collected in more than one year are discounted to their present value.

The Organization reports contributions of cash as donor restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions received whose restrictions are met in the same period are presented with net assets without donor restrictions. Transfers of assets from a resource provider received before the barriers are overcome are reported as refundable advances on the accompanying statement of financial position.

Program Services and Product Sales Revenue

Program services revenue represents revenue from seminars and trainings provided by the Organization. Program services revenue received is not recognized as revenues until the revenue is earned, which is when the seminars or services are provided, and the Organization believes it is no longer required to provide additional services for the training program. Any unearned portion is recorded as deferred training revenue. Product sales revenue is recognized at the point in time when product is shipped, and the terms of the order have been satisfied.

Statement of Cash Flows:

The Organization considers demand deposits, certificates of deposit and all highly liquid investments with a maturity of three months or less to be cash equivalents.

Accounts Receivable:

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. No allowance for doubtful accounts has been provided for the years ended June 30, 2022 and 2021 as management has evaluated all amounts and believes they are all collectible.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

Property, Plant and Equipment:

Buildings, improvements and equipment are carried at the cost of acquisition. The Organization follows the practice of capitalizing all expenditures for property and equipment equal to or in excess of \$1,000. The Organization uses the straight-line method of depreciation in all cases, allocating the cost of acquisition of property and equipment evenly over their expected useful lives. The depreciated cost of all property and equipment represents that portion of the original cost not yet allocated as charge against operations and does not purport to be realizable value or a replacement cost. Upon retirement or disposal, gain or loss, if any, is reflected in earnings for the period.

The estimated useful lives are as follows:

Computers	5 years
Website costs	3 years
Furniture and fixtures	5-7 years

Property and equipment consist of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Computer equipment	\$ 43,394	\$ 43,394
Website costs	53,306	53,306
Furniture and fixtures	<u>61,963</u>	<u>61,963</u>
Total Costs	158,663	158,663
Less accumulated depreciation	<u>(140,840)</u>	<u>(133,337)</u>
Net property and equipment	<u>\$ 17,823</u>	<u>\$ 25,326</u>

Reclassifications:

Certain reclassifications have been made to the financial statements to conform to the June 30, 2021 presentation. These reclassifications have no material effect on the financial statements.

Restricted Cash:

Restricted cash is from donations and other funding sources. The total balance in these restricted accounts was \$929,328 and \$458,954 as of June 30, 2022 and 2021, respectively.

Corporate Income Taxes:

The Internal Revenue Service has ruled that under Section 501 (c) (3) of the Internal Revenue Code, the Organization qualifies as an Organization exempt from income tax under the present Federal income tax laws. Further, the Internal Revenue Service has ruled that the Organization is not a private foundation in accordance with Section 170 (b) (1) (a) (iv) of the Internal Revenue Code. The Organization is additionally exempt from State income taxation by virtue of its Federal exemption.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization's Return of Organizations Exempt From Income Tax (Form 990) for the years ended June 30, 2020, 2021 and 2022 are subject to examination by the IRS, generally for three years after they were filed.

Allocation Expenses:

The costs of providing the various programs and other supporting activities of the Organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that were clearly identifiable as being for a specific function were allocated to that function. All other expenses were allocated based on management's estimation of time spent on a particular function or asset usage. Various allocation methods may change from year to year based upon management's review of internal processes.

Gains and Losses:

The realized gain or loss on the sale of investments is the difference between the proceeds received and the average cost of the investment sold. Unrealized appreciation or depreciation in the aggregate fair value of investments represents the change in the difference between the fair value and cost of investments.

Deferred Training Revenue:

Deferred revenue represents program income from training services invoiced in the period prior to the fiscal year in which such training services are provided.

2. OPERATING LEASE

The Organization entered into a lease for office space with an original date of November 1, 2014. The Organization amended the lease agreement on April 7, 2021, to extend through December 2022 at a cost of \$18,960 per year. Total rent expense under the operating lease was \$18,960 and \$18,930 for the years ended June 30, 2022 and 2021, respectively. The Organization amended the lease agreement on August 3, 2022, to extend through August 2025. The cost of rent increases per year in this lease agreement.

The following is a schedule by year of future minimum lease payments required under the lease as of June 30, 2022:

Year Ending June 30,	
2023	\$ 8,110
2024	6,090
2025	6,270
2026	<u>1,050</u>
Total Minimum Obligations	<u>\$ 21,520</u>

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

3. DEFERRED TRAINING REVENUE

Total deferred training revenue was \$183,150 and \$213,405 for the years ended June 30, 2022 and 2021, respectively.

4. DONATED SERVICES

A substantial number of volunteers have donated significant amounts of time in the area of clinical training and trauma education in international disaster settings and in community mental health agencies across the U.S. If these hours were valued at commercial rates, the Organization would have received approximately \$2,675,340 of training time for domestic, military, and international clinician training during the year ended June 30, 2022. For the year ended June 30, 2021, the Organization would have received approximately \$2,229,450.

5. BENEFICIAL INTEREST

The Organization has transferred assets to The Community Foundation for Greater New Haven, Inc. (the "Foundation") which is holding them as a donor restricted fund ("Fund") for the exclusive benefit of the Organization. At any time, the Organization may request to withdraw all or part of its investment in the Fund. Withdrawals of amounts less than 50% of the then current market value of the Organization's investment require at least 60 days prior written notice, and withdrawals of amounts greater than 50% require 90 days written notice.

The Organization follows the annual distribution rate in accordance with the Spending Rule Policy of the Foundation determined annually by the Foundation's Board of Directors. The Spending Rate for 2022 was 5.50%. The Organization reports the fair value of the Fund as Beneficial Interest in Assets Held at The Community Foundation for GNH in the statement of financial position and reports distributions received as investment income. Changes in the value of the Fund are reported as gains or losses in the statement of activities. Changes in the Fund for the year ended June 30, 2022, are as follows:

Balance at July 1, 2021	\$ 593,074
Investment Expenses	(3,568)
Investment income	1,505
Distributions received	-
Gain (loss) on beneficial interest	<u>(83,568)</u>
Balance at June 30, 2022	<u>\$ 507,443</u>

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

6. INVESTMENTS

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Investments are stated at fair value and consist primarily of equity securities and mutual funds.

	<u>June 30, 2022</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Mutual funds	<u>\$ 111,351</u>	<u>\$ 103,199</u>	<u>\$ (8,152)</u>

	<u>June 30, 2021</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Mutual funds	<u>\$ 101,472</u>	<u>\$ 113,647</u>	<u>\$ 12,175</u>

Investment return is summarized as follows:

	<u>2022</u>	<u>2021</u>
Investment income	\$ 2,479	\$ 9,033
Net realized and unrealized gain (loss)	<u>(12,511)</u>	<u>74,558</u>
Total Net Unrestricted Investment Gain (Loss)	<u>\$ (10,032)</u>	<u>\$ 83,591</u>

7. CONCENTRATIONS OF CREDIT RISK

The Organization maintains a substantial portion of its cash with one financial institution. At June 30, 2022, and at other times of the year, amounts of cash and cash equivalents maintained on deposit may be in excess of Federal Deposit Insurance Corporation (FDIC) limits. There was \$740,658 and \$551,299 in excess of insured limits for the years ended June 30, 2022 and 2021, respectively.

EMDR HUMANITARIAN ASSISTANCE PROGRAMS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

8. FAIR VALUE MEASUREMENTS

Accounting Standards Codification (“ASC”) Topic 820, “Fair Value Measurements and Disclosures” (“ASC 820”), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under ASC 820 are described below:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date identical, unrestricted assets or liabilities;
- Level 2 Quoted prices in market that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and observable.

The asset’s and liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value.

Mutual funds – These funds are valued at the closing price reported in the active market in which the securities are traded.

Beneficial interest in assets held at The Community Foundation for GNH, Inc. – These funds are valued at the fair value of the Organization’s share of the interest held in the Foundation’s comingled fund as of the measurement date. The Foundation values securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the Foundation for which prices are not readily available, are determined by the management of the Foundation. Estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The Foundation’s investments are composed approximately of 50.00% global equities, 35.00% alternative investments including hedge funds and private equity funds, and 15.00% bonds. The beneficial interest in assts held at the Foundation is redeemable by the Organization as described in Note 5.

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The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

<u>Description</u>	<u>6/30/22</u>	<u>In Active Markets For Identical Assets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds	\$ 103,199	\$ 103,199	\$ -	\$ -
Beneficial interest in assets held at the Community Foundation for GNH, Inc.	<u>507,443</u>	<u>-</u>	<u>507,443</u>	<u>-</u>
	<u>\$ 610,642</u>	<u>\$ 103,199</u>	<u>\$ 507,443</u>	<u>\$ -</u>

<u>Description</u>	<u>6/30/21</u>	<u>In Active Markets For Identical Assets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds	\$ 113,647	\$ 113,647	\$ -	\$ -
Beneficial interest in assets held at the Community Foundation for GNH, Inc.	<u>593,074</u>	<u>-</u>	<u>593,074</u>	<u>-</u>
	<u>\$ 706,721</u>	<u>\$ 113,647</u>	<u>\$ 593,074</u>	<u>\$ -</u>

Gains and losses (realized and unrealized) are reported in the statement of activities for the year ended June 30, 2022 and 2021.

9. NET ASSET CLASSIFICATIONS

Temporarily Restricted Net Assets:

Temporarily restricted net assets as of June 30, 2022 and 2021 totaled \$861,646 and \$891,209, respectively, and the purposes and amounts are as follows:

	<u>2022</u>	<u>2021</u>
Client needs	<u>\$ 861,646</u>	<u>\$ 891,209</u>

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Net Assets Released From Restrictions:

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors. Net assets released from restrictions are as follows:

	<u>2022</u>	<u>2021</u>
Client needs	\$ 194,225	\$ 69,353
	<u>\$ 194,225</u>	<u>\$ 69,353</u>

10. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 133,865	\$ 459,273
Investments	<u>103,199</u>	<u>113,647</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 237,064</u>	<u>\$ 572,920</u>

Liquidity Management:

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 26, 2023 the date the financial statements were available to be issued, and has determined that there are no matters requiring disclosure in, or adjustment to, these financial statements.